



The President's Daily Brief

January 14, 1975

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FOR THE PRESIDENT ONLY

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SOUTH VIETNAM

President Thieu [redacted] government's principal task during the next few weeks is to lobby in the US for more assistance.

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The President, who no doubt hopes that the recent loss of Phuoc Long Province will help his appeals, will soon send you a letter asking for identification of specific areas where additional aid can be provided. The letter will be drafted by the South Vietnamese embassy in Washington.

[redacted] a high-level delegation to come to Washington in order to proselytize on Capitol Hill and, perhaps, invite some influential congressmen to Vietnam to inspect the situation. The lobbying campaign will include appeals to US organizations such as the AFL-CIO, the American Legion, and the Red Cross.

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Meanwhile, the President apparently intends to continue to pursue his conservative military policy of holding main forces to defend key towns and other strategically important areas. He now acknowledges that he has no plans to recapture Phuoc Long Province. Moreover, his military

[redacted] believes that the provincial capitals of Kontum and An Loc are equally "indefensible," and that they could fall "whenever the communists decide they want to take them."

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USSR

Private comments by Soviet bureaucrats indicate that the leadership has not yet provided definitive guidance on what line to take regarding the impact on US-Soviet relations of the US Trade Reform Act and the ceiling on credits the Export-Import Bank can extend to the USSR. Critical press commentary on the trade legislation and the emigration issue has tapered off to occasional sniping, but negative treatment of the US on other issues remains at unusually high levels.

US embassy officials have detected no firm pattern in discussions with representatives of ministries directly affected by the trade issue. A young staff member of the foreign ministry last week described the congressional stipulations and limitations as a "gross insult." A foreign trade ministry official concerned with US-Soviet commerce termed current prospects for expanded bilateral trade "not bright."

Other Soviets have been less negative. A deputy minister of the timber and wood-processing industry said, without animus, that the legislation is an "internal matter" for the US. Several officials, including some involved with fossil-fuel development projects, have sought clarification of the practical effects of the new Export-Import Bank credit ceiling. They and others seem to be proceeding on the basis of US-Soviet business as usual.

Moscow can probably continue to finesse the issue unless the US presses for some indication that the Soviets will resume payments on the Lend-Lease debt in return for the US grant of most-favored-nation status; the first payment will be due this July if the USSR has received formal notification by May 31.

The Soviets will carefully consider the political implications of any response. They have argued in the past that political detente cannot flourish without economic cooperation.

(continued)

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Since they have shown no serious sign of forsaking their "peace program," despite increased criticism of the US in recent weeks, they may prefer to settle for little more than verbal remonstrances. If, however, the emigration issue and credit restrictions are causing real pressure on the leadership, as fragmentary and circumstantial evidence suggests, the Politburo may decide to harden its policy toward the US, even at some cost to the momentum of detente.

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LIBYA-US

Libya's decision to handle its complaint about alleged US violations of Libyan airspace last Friday through diplomatic channels, and the tone of the note, are uncharacteristic and may reflect a genuine desire to avoid an incident.

The protest and the circumstances surrounding it have not been publicized, despite widespread local knowledge that Tripoli airport was closed and that Libyan air defense units had been placed on alert at the time of the US Sixth Fleet exercise. This suggests that Tripoli hopes to minimize the event.

The Libyan official who delivered the message made a special point of Libya's "unilateral" overtures to Washington, mentioning Tripoli's recent decision to lift its oil embargo against the US--ten months after the other Arab producers--as one example of Libya's good intentions. He said his country would take other positive steps and expressed his personal hope that the two countries could put aside their differences on the "Palestine question" and work together in other areas.

The Libyans may be carefully measuring their reactions out of fear that the US intends to launch an invasion. Press stories of US plans to seize Libyan oil fields have kept the Libyans on edge for months, but until recently they have reacted only by reinforcing security forces regularly assigned to protect petroleum installations.

In late December, however, there were indications that regular military units--perhaps three battalions--were moved to the eastern province of Cyrenaica, where most of the country's oil fields are located. The deployment may have been prompted by Sixth Fleet activities last November 23 similar to those carried out last week.

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GREECE-TURKEY

Greece and Turkey have exchanged tough statements again over their rights in the Aegean Sea. [redacted]

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US military personnel in Turkey report alert activities at four Turkish air bases. Fighter planes were observed being fitted with bombs, and additional aircraft were placed on runway alert. At one air base, anti-aircraft guns were in place around the base perimeter. [redacted]

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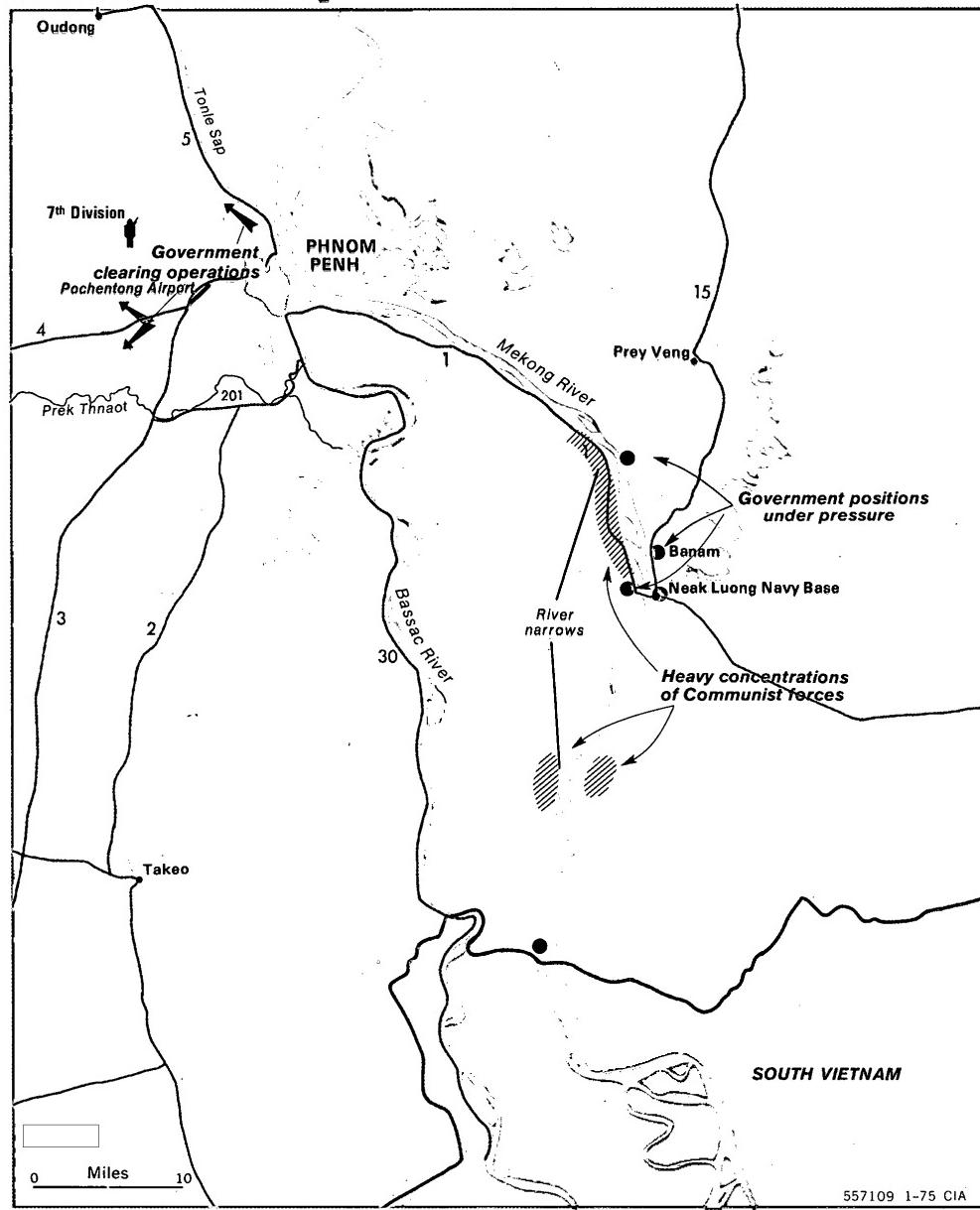
These moves follow an exchange of tough statements by the Greek and Turkish defense ministers. At the swearing-in of the new Greek naval chief last week, Defense Minister Averoff said that Greece would aggressively defend its rights in the Aegean, which he referred to as a "Greek sea."

The Greek government also announced last week that it has authorized a foreign contractor to conduct oil exploration in the Aegean. [redacted]

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Former Turkish prime minister Ecevit has charged that the Irmak government has been negligent in pressing Turkey's claims in the disputed area and that the Greeks were taking advantage of this apparent timidity. Seeking to make political capital on another nationalistic issue, Ecevit has called on the Irmak government to begin oil explorations of its own in the Aegean as soon as possible. Irmak, on the defensive, has responded that his government will take all necessary measures to protect Turkish interests in the Aegean.

Cambodia; Lower Mekong



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FOR THE PRESIDENT ONLY**CAMBODIA**

Khmer communist ground units over the weekend kept up pressure against government positions on the east bank of the Mekong some eight miles upstream from the Neak Luong navy base and around the town of Banam. Government defenses on the west bank opposite Neak Luong are also under attack.

Neak Luong itself has been hit by sporadic shellings but has not yet been the target of infantry attacks. Government units have held their ground in these areas; intercepted messages reflect communist plans for a major push against the base in the near future.

Despite heavy insurgent fire from the shore, three Cambodian naval convoys have shuttled supplies and reinforcements to Neak Luong since Friday. A government counterattack down Route 1, however, has bogged down some 15 miles southeast of Phnom Penh. Military leaders are planning to bring a resupply convoy upriver to Phnom Penh from the South Vietnamese border sometime this week. The last river convoy arrived in the capital on December 29.

Meanwhile, fighting has slackened somewhat in the Phnom Penh area. Communist attacks have forced government troops to abandon additional outposts on both banks of the Mekong near the capital, but government clearing operations are continuing on the major battlefronts northwest and southwest of the city. Communist rocket attacks against downtown Phnom Penh and against Pochentong airport have caused little damage. Intercepted messages reveal that a major conference of insurgent commanders from the capital area will be held this week, and any significant shift in communist strategy should be disclosed in new orders that go out to individual units.

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NOTE

Lebanon's requests for assistance [redacted] [redacted] 25X1
[redacted] to defend against Israeli air and ground at- 25X1
tacks have been only partially fulfilled so far.

[redacted] reportedly have provided some 25X1
air defense equipment, but [redacted] will probably play 25X1
the largest role in helping Lebanon defend its ter-
ritory. Two Palestine Liberation Army brigades op-
erating in the southeastern part of Lebanon report-
edly have been armed with SA-7s and other anti-
aircraft weapons. [redacted] also reportedly is about 25X1
to train 200 Lebanese troops [redacted] 25X1
[redacted] and later provide them with the weapons. [redacted] 25X1
[redacted] continues to refuse offers to station [redacted] 25X1
troops in Lebanon.

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